

North American Tungsten Corporation Ltd. Announces New Loan Facilities

13.10.2011 | [Marketwired](#)

VANCOUVER, BRITISH COLUMBIA -- ([Marketwire](#)) -- 10/13/11 -- [North American Tungsten Corporation Ltd.](#) (TSX VENTURE: NTC) (the 'Company') is pleased to announce:

NEW LOAN FACILITIES

The Company has increased its credit facilities with HSBC Bank Canada (the 'Bank') including:

1. A new operating loan facility of up to CAD\$12,000,000 carrying an interest rate of Banks Prime plus 0.25% per annum for a period of 18 months (June 30, 2013). The loan facility is backed by a Letter of Credit ('L/C') which is sponsored by two of the Company's directors ('sponsors').

The sponsors and the Bank have entered in a 'Put' Agreement which may be triggered by the Bank at its sole discretion. The 'Put' Agreement is backed by an irrevocable letter of credit from the two sponsors.

In exchange for entering into the Put Agreement and funding the L/C the Company agreed to compensate the two sponsors in the following manner;

- a. pay the sponsors (in US dollars) on the last day of each calendar quarter, an aggregate amount equal to 1.75% of the maximum outstanding principal amount of the L/C during the immediately preceding calendar quarter (or portion thereof), which payments will begin on December 31, 2011;
- b. pay to the sponsors, an aggregate amount equal to US\$1,500,000 on the earlier of (i) the date the Loan is paid in full; (ii) the date the Loan is put to the sponsors pursuant to the Put Agreement; or (iii) the date the L/C is drawn upon for payment of the Loan;
- c. the Company has agreed to grant a security interest over the MacTung project to the sponsors which is subordinated to the security under the Reclamation Security Agreement (see news release of October 7, 2010);
- d. upon certain events of default the payments due to sponsors on the last day of each quarter, increase to an aggregate amount equal to 3.0% of the maximum outstanding principal amount of the L/C during the immediately preceding calendar quarter (or portion thereof); and the payment to the sponsors will increase to US\$2,000,000 from \$1,500,000.

Stephen Leahy, Chairman & CEO stated that, 'The Company has for some time, been seeking outside working capital financing and this transaction is the most non-dilutive, economical and least financially burdensome of the various options. We believe that this financing will provide working capital to fund the continued development of the CanTung Mine. We appreciate the support of the sponsors in facilitating the transaction to obtain terms much more favourable than the Company would have been able to obtain without their support.'

ABOUT NORTH AMERICAN TUNGSTEN CORPORATION LTD.

The Company is the 100% owner of the CanTung Mine and the MacTung development project in Canada. It is one of the largest producers of tungsten concentrates in the western world. MacTung is one of the world's largest undeveloped high grade tungsten-skarn deposits.

ON BEHALF OF THE BOARD OF DIRECTORS

Stephen M. Leahy
Chairman & CEO

Cautionary Note: The Company relies upon litigation protection for forward-looking statements.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term as defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Die URL für diesen Artikel lautet:

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